

SAN JOSÉ BUDGETED FUNDS GUIDE

DOCUMENT OVERVIEW

The San José Budgeted Funds Guide document has been created in order to give the residents of the City of San José, elected officials, and City departmental staff an overview of each budgeted City fund. This document was produced by the City Manager's Budget Office, in coordination with the Office of the City Attorney, Finance Department, and departmental staff. The summary for each fund does not intend to capture every operational detail of every fund, but rather provides basic information as well as high level points that would be useful when considering funding sources for future projects or for closing future deficits. The document also details restrictions on the use of each fund. In most instances the document provides the location in various other City documents where each fund can be referenced.

A wide variety of sources were used in gathering the information included in this document, including the San José City Charter, San José Municipal Code, and the Comprehensive Annual Financial Report which is prepared annually by the Finance Department.

Each fund summary includes the following information:

PURPOSE OF THE FUND:

This section identifies why the fund was created, its common uses, and may describe some of the major issues facing the fund.

AUTHORITY FOR THE FUND:

This section identifies where the official documentation for the fund and its purposes can be located. If the fund is included in the Municipal Code or City Charter, the applicable sections are identified. For those funds not included in those documents, every attempt has been made to research the history of the fund. In some cases, the fund was created as part of the Annual Budget process. In other cases, the fund was created by City Council Ordinance outside of the Annual Budget Process. In each such case, the location with authority for the fund is noted.

SOURCE OF FUNDS:

This section identifies the primary, regular funding sources for the fund. While it is understood that many of the funds can receive funding from a wide variety of sources in any given year, one-time sources generally are not included in this section.

FUND RESTRICTIONS:

This section describes any restrictions on the use of funding within the fund, including those imposed by Proposition 218. Proposition 218, which was passed by the voters in 1996, extended the two-thirds majority vote requirement for any new user fees or new taxes to be levied at the local level. Proposition 218 also imposes restrictions upon the usage of certain funds collected from various fees and taxes. Proposition 218 stipulated that assessments, fees, and charges must be submitted to property owners for approval or rejection, after notice and public hearing.

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LEAD RESPONSIBILITY:

This section identifies the department that is responsible for the administration of the fund.

FINANCIAL INFORMATION AND LOCATION:

This section includes the Comprehensive Annual Financial Report (CAFR) Designation, Budget Location and Funding Sources Resolution and Appropriation Ordinance Location. Specific details of each category are listed below.

Comprehensive Annual Financial Report (CAFR) Designation:

This section refers to the City's Comprehensive Annual Financial Report (CAFR), which contains year end financial statements for each fund. Funds are grouped into three broad classifications: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds are typically used to account for governmental (tax supported) activities. Governmental Funds are classified as: the General Fund, Special Revenue Funds, Capital Project Funds, and Debt Service Funds.

Proprietary Funds are used to account for services charged to external or internal customers through fees. The City accounts for its airport, wastewater treatment, water supply, and parking management operations in proprietary funds. Proprietary funds are classified as either Enterprise Funds or Internal Service Funds.

Fiduciary Funds are used to account for assets held by a governmental unit in a trustee capacity and/or as an agent for individuals, private organizations, other governmental units, and/or other funds. Fiduciary Funds are classified as Pension Trust Funds, Private-Purpose Trust Funds, and Agency Funds.

Budget Location:

The Budget Location indicates which budget (Operating or Capital) contains information for the fund. With the exception of the General Fund, spending plans for all budgeted operating funds can be found in the Source and Use of Funds Statements section of the Operating Budget. Source and Use information for the General Fund can be found in the Summary Information section of the Operating Budget document. The Capital Budget is organized by program, rather than fund, therefore Source and Use statements for the 15 capital programs included in the Capital Budget document often reflect information for multiple funds, all related to the projects in a specific area.

Funding Sources Resolution and Appropriation Ordinance Location:

This section documents the section of the Funding Sources Resolution and Appropriation Ordinance where the fund can be located. The Funding Sources Resolution lists the most current Beginning Fund Balance, budgeted revenue estimates, and budgeted estimates for transfers into the fund. The Appropriation Ordinance lists the most current appropriation totals within the fund, as approved by the City Council.